

THIS EQUIPMENT LEASE AGREEMENT, hereinafter referred to as "Agreement", by and between GATX/BOOTHE CORPORATION, a Delaware Corporation with a place of business in Chicago, Illinois, hereinafter referred to as "Lessor", and CANADIAN PACIFIC RAILWAY COMPANY, hereinafter referred to as "Lessee"

W I T N E S S E T H:

I. LEASING: In consideration of the covenants herein contained, Lessor does hereby lease and let to the Lessee such of the railroad equipment described in Exhibit A attached hereto and made a part hereof (hereinafter referred to collectively as "Units" and individually as "Unit") as may from time to time be delivered to and accepted by the Lessee under and pursuant to the terms of this Agreement and which by means of written schedules (hereinafter referred to collectively as "Schedules" and individually as "Schedule") executed by the Lessor and the Lessee are declared to be and constitute a part of the equipment leased hereunder, all for the rental hereinafter stipulated and upon the terms and conditions hereinafter set forth, which rental and other terms and conditions are hereby agreed to and accepted by Lessee. Schedules shall be substantially in the form attached hereto as Exhibit B, and when executed the Schedules shall be attached hereto and become a part hereof. Upon receipt of Certificates of Acceptance signed by a duly authorized representative of Lessee, Lessor agrees to accept invoices and make payment for the Units so accepted.

II. TERM, RENT AND PAYMENT:

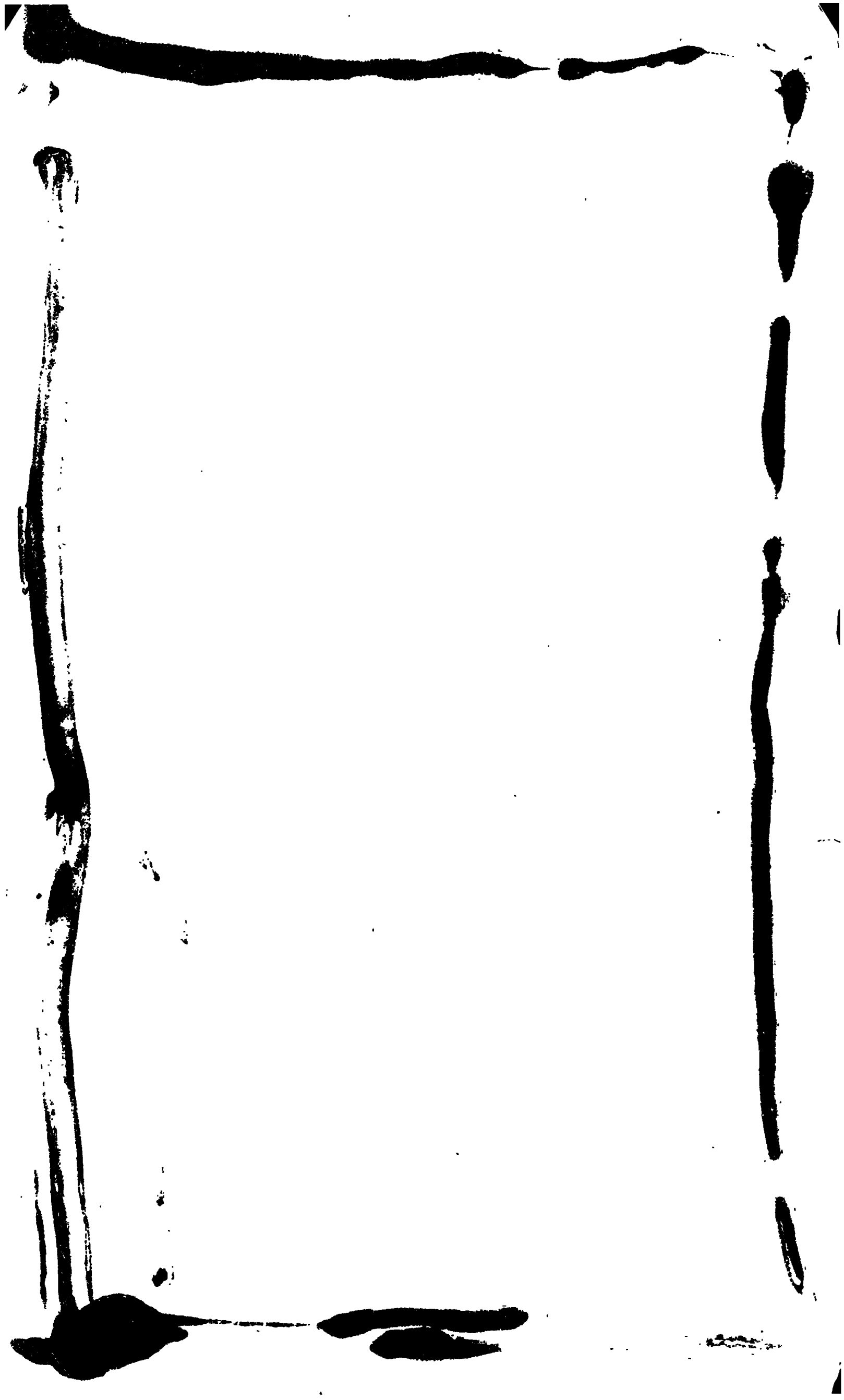
(a) The lease of and rent for each Unit shall commence on the day specified in the Schedule pertaining thereto and shall continue for the period specified as the "term" in said Schedule. If any such term be extended, the word "term" or "period", as used in this Agreement, shall be deemed to refer to the extended term, and all provisions of this Agreement shall apply during and until the expiration of said extended period, except as may be otherwise specifically provided in this Agreement or in any subsequent written agreement of the parties.

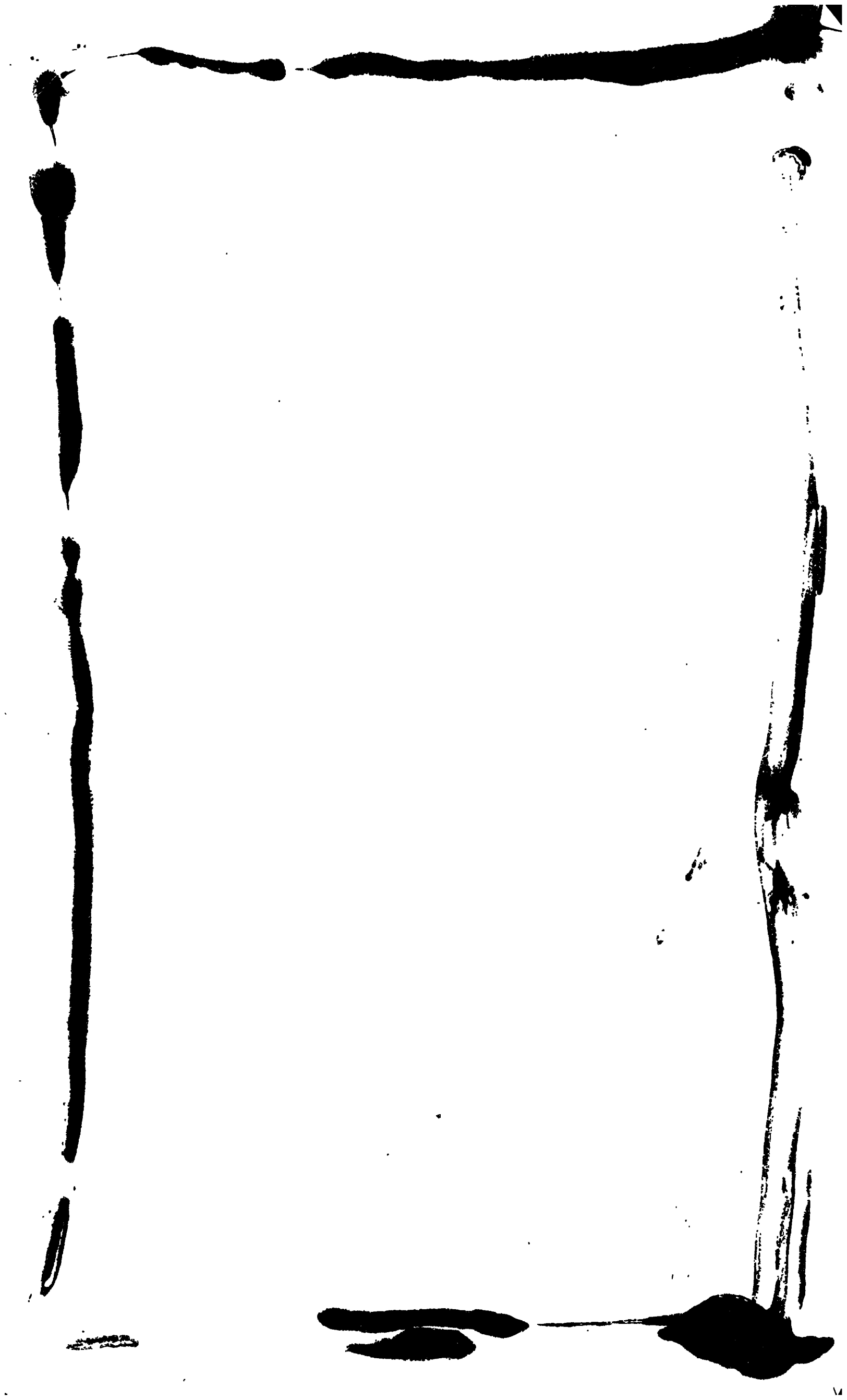
(b) As additional rental, Lessee shall pay and discharge, when due, property and other tax or taxes now or hereafter lawfully imposed by any State, Federal or local government upon any Unit or the sale to Lessor or the use or rental thereof by Lessee, whether the same be payable by or billed or assessed to Lessor or to Lessee, together with any penalties or interest in connection therewith, exclusive, however, of any income taxes imposed upon Lessor; provided, however, that if under any applicable law or custom Lessee may not make any such payments Lessee will promptly notify Lessor and Lessee shall reimburse Lessor on demand for all payments thereof made by Lessor; and provided further that Lessee shall be under no obligation to pay any license fees, assessments and sales, use, property and other taxes or penalties of any kind so long as it is contesting in good faith and by appropriate legal procedures such license fees, assessments and sales, use, property and other taxes or penalties and the non-payment thereof does not adversely affect the property or rights of Lessor hereunder. If any such license, assessment or tax is, by law, to be assessed or billed to Lessor, Lessee at its expense will do any and all things required to be done by Lessor in connection with the levy, assessment, billing or payment thereof and is hereby authorized by Lessor to act for and on behalf of Lessor in any and all such respects including, but not limited to, the contest or protest, in good faith, of the validity of the amount thereof; Lessee will cause all billings of such governmental obligations of Lessor to be made to it in care of Lessee and will from time to time, on request of Lessor, submit written evidence of the payment of all such governmental obligations.

(c) Rent shall be paid in United States Dollars to the Lessor at its office at One Maritime Plaza, San Francisco, California 94111 or as otherwise directed, and shall not be prorated for any cause or reason except as herein specifically provided. (See paragraph (d) on opposite side of this page)

III. REPORTS:

(a) Upon demand Lessee will advise Lessor the names of the carriers who have possession of the Units, and Lessor shall have the right, upon demand by Lessor and at Lessor's expense, to examine any Unit.





II (d) It is contemplated that the Lessee shall receive, insofar as applicable law and regulations allow, all mileage allowances, rentals and other compensation payable by carriers by reason of the use of any unit (hereinafter referred to as "mileage"), and it is understood and agreed that if for any reason Lessor receives any mileage, then (unless an event of default specified in section VIII shall have occurred and be continuing) the Lessor shall remit such mileage to the Lessee promptly after the Lessee shall have furnished or caused to be furnished to the Lessor an opinion, ruling or other evidence satisfactory to the Lessor, that the remittance thereof to the Lessee will not violate any applicable law or regulation.

(b) Upon request Lessee will deliver to Lessor in duplicate copies of Lessee's most recent ^{public} financial reports, including Lessee's most recent annual report and/or balance sheet and profit and loss statement, certified to by either a recognized firm of Certified Public Accountants or by the Chief Accounting Officer of the Lessee.

IV. SERVICE:

(a) Lessee will at its sole expense at all times during the term of this Agreement defray all costs of operation of each Unit and maintain each Unit in good operating order and repair, reasonable wear and tear excepted. Lessee shall show the ownership of Lessor by plainly marking, either by paint or by a metal plate, on each side of each Unit, in letters not less than 5/8" in size, such paint or plates to be such as to be readily visible and to contain the words "GATX/BOOTH CORPORATION, OWNER, LESSOR". In the event during the continuance of this Agreement, any of such plates or paint shall at any time be removed or obliterated or become for any reason illegible, Lessee shall ~~immediately~~ cause the same to be restored, replaced or repainted as soon as practicable after notice thereof.

(b) Lessee will not, without the prior written consent of Lessor, affix or install any accessory, equipment, or device on any Unit leased hereunder if such addition will impair the originally intended function or use of any such Unit. All repairs, parts, supplies, accessories, equipment and devices furnished or affixed to any Unit shall thereupon become the property of Lessor (except such as may be removed without in any wise affecting or impairing the originally intended function or use of such Unit).

(c) Lessee acknowledges and agrees (1) that each Unit is of a size, design, capacity and manufacture selected by Lessee, (2) that Lessee is satisfied that the same is suitable for its purposes, (3) that Lessor is not a manufacturer thereof nor a dealer in property of such kind, and (4) that Lessor has not made, and does not hereby make, any representation or warranty or covenant with respect to the merchantability, condition, quality, durability or suitability of any such Unit in any respect or in connection with or for the purposes and uses of Lessee, or any other representation or warranty or covenant of any kind or character, express or implied, with respect thereto. Lessee agrees that Lessor shall not be liable to Lessee for any liability, claim, loss, damage or expense of any kind or nature caused, directly or indirectly, by any Unit or any inadequacy thereof for any purpose, or any deficiency or defect therein, or the use or maintenance thereof, or any repairs, servicing or adjustments thereto, or any delay in providing or failure to provide any thereof, or any interruption or loss of service or use thereof, or any loss of business, or any damage whatsoever and howsoever caused.

(d) Upon delivery of each Unit to Lessee, Lessee will cause the Unit to be accepted by its authorized representative, and such representative will execute and deliver to Lessor a Certificate of Acceptance in the form attached hereto as Exhibit C whereupon the Unit shall be deemed to have been delivered and accepted by Lessee and shall be subject thereafter to all of the terms and conditions set forth in this Agreement.

V. USE AND OPERATION:

(a) Lessee will at all times comply in all respects with all laws of the jurisdictions in which its operations involving the Units may extend and with all lawful rules of the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over any Unit, to the extent that such laws and rules affect the operation or use of any Unit, and in the event that such laws require alteration of any Unit Lessee will conform therewith, at its expense, and will maintain the same in proper condition for operation under such laws and rules; provided, however, that Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Lessor, adversely affect the property or rights of Lessor hereunder. Lessee will not permit any Unit to become subject to any lien, charge or encumbrance whatsoever other than any thereof incurred by Lessor and liens for taxes or assessments which shall not at such time have become delinquent.

(b) Lessee shall be entitled to use each and every Unit upon the lines of railroad owned or operated by Lessee (whether alone or jointly with another) or by any corporation a majority of the capital stock of which Lessee shall own directly or indirectly, or upon lines over which Lessee or any such corporation shall have trackage or other operating rights, and Lessee shall also be entitled to permit the use of any Unit upon connecting and other railroads in the usual interchange of traffic and upon connecting railroads and other railroads over which through service may from time to time be afforded.

(c) Lessee shall not, without the written consent of Lessor first had and obtained, assign or transfer this Agreement, or transfer any Unit; and Lessee shall not, without such written consent, except as provided in sub-paragraph (b) of this paragraph V, part with the possession of, or suffer or allow to pass out of its possession or control, any Unit. An assignment or transfer to a railroad company or other purchaser which shall acquire all or substantially all the lines of railroad of Lessee, and which by execution of an appropriate instrument satisfactory to Lessor, shall assume and agree to perform each and all of the obligations and covenants of Lessee hereunder, shall not be deemed a breach of this covenant.

(d) Lessee assumes all risks and liability for each Unit leased hereunder and for the use, operation and storage thereof, and for injuries to or deaths of persons and damage to property, howsoever arising from or incident to such use, operation or storage, whether such injury or death be of agents or employees of Lessee or of third parties, and such damage to property be of Lessee or of others. Lessee will save and hold Lessor harmless from all losses, damages, claims, penalties, liabilities, and expenses, including attorneys' fees, howsoever arising or incurred because of or incident to any Unit or the use, operation or storage thereof. Lessee will also save and hold Lessor harmless from any claims arising out of the use of any Unit leased hereunder in conjunction with other equipment not subject to this Agreement in such a way as to give rise to an alleged patent infringement. Lessor will assign to Lessee any builder's warranty covering the leased equipment which it obtains, to the extent assignable.

VI. PAYMENT FOR CARS LOST, DESTROYED, DAMAGED OR REQUISITIONED:

(a) Lessee assumes all risks of loss, theft or destruction of, and damage to, each Unit, and will hold Lessor harmless from any thereof and from all claims and liens for storage, labor and materials incurred by Lessee in connection with each Unit. No rental for any Unit shall abate in the event of damage thereto but should a Unit be damaged beyond repair or be lost, stolen, or wholly destroyed, Lessee may replace the same, with Lessor's consent, with other new railroad equipment of like type and value; should Lessee not so replace such equipment, then this Agreement shall cease and terminate as to such Unit and Lessee shall pay Lessor within thirty (30) days after any such damage, loss, theft or destruction becomes known to Lessee the "Stipulated Loss Value" specified in the applicable Schedule. Upon such payment, title to and rights in such Units shall automatically pass to Lessee and this Agreement will cease in all respects as to such Units.

(b) In any case any Unit shall become lost, is destroyed, or in the Lessee's opinion is damaged beyond repair as the result of a casualty, or is requisitioned by any governmental authority:

(b)(1) The Lessee shall advise the Lessor of the loss, destruction, irreparable damage or of the requisition by any governmental authority of any Unit as soon as practicable, and shall provide Lessor with a certificate signed by a designated representative of Lessee stating the details of such loss, destruction, damage or requisition.

(b)(2) If the Lessee shall learn of any such loss or destruction or shall determine that a Unit has been irreparably damaged at any time after the date hereof, then on the next succeeding monthly rental payment date the Lessee shall pay to the Lessor (in addition to any additional rental due on account of such Unit, as damages in lieu of any further claim of the Lessor to or on account of such Unit, in cash, an amount equal to the Stipulated Loss Value of such Unit therefor, as shown in the applicable Schedule on the date of payment.

(b)(3) If a Unit shall be requisitioned by any governmental authority prior to the expiration of the tenth year of the original term of the Lease as set forth on the applicable Schedule (hereinafter referred to as "Original Term") it shall be deemed to be lost, for purposes of this Section,

on a date five years from the date of such requisition if not returned prior to the end of such period. If such requisition occurs on or after the first day of the eleventh year after the commencement of the Original Term of the Lease, it shall be deemed to be lost, for purposes of this Section, on the date of such requisition.

(b)(4) Whenever any such cash payment is made to the Lessor under this Section VI with respect to any Unit (i) the rental for such Unit provided for in the applicable Schedule shall be abated and shall cease to accrue as of the day on which such cash payment is made, (ii) such Unit shall no longer be deemed to be subject to this Lease (iii) Lessee shall be entitled to possession of the remains of any such Units, and (iv) Lessee shall be entitled to the proceeds of any settlement made by any insurance company, railroad company or other person, firm or corporation in connection with such loss, destruction or damage beyond repair, or any award made by the appropriate government in the case of a requisition of a Unit deemed to be lost pursuant to this Section, whether such settlement or award is made with the Lessor or the Lessee, except that if the Lessor shall take out and pay for any policy of insurance on such Unit, then the Lessor shall be entitled to the entire proceeds of any settlement made under such policy in connection with such loss, destruction or damage beyond repair. Lessor agrees that any insurance Lessor may take out on the Cars shall be endorsed to waive the right of subrogation against the Lessee and the railroad involved. The Lessee shall bear the risk of and, except as hereinabove in this Section provided, shall not be released from its obligations under this Lease in the event of any loss or destruction of or damage to any of the Cars or requisition thereof as aforesaid for any cause whatsoever after the acceptance of delivery thereof hereunder by the Lessee.

VII. RETURN OF EQUIPMENT: Lessee agrees, by the acceptance of each Unit, that such Unit is in good operating order, repair, condition and appearance. At the expiration or sooner termination of the term pertaining thereto, Lessee will return each Unit to Lessor in good order and repair, excepting only for reasonable wear and tear. Except in the case of a termination of this Agreement or Lessee's right of possession pursuant to paragraph VIII hereof, Lessee will return each Unit to Lessor at the place where the Unit is then located or, if Lessor shall so request, Lessee will at its own expense cause all Units to be moved to such point or points upon the railroad of Lessee, or upon the railroad of any corporation a majority of the capital stock of which is at the time directly or indirectly owned by Lessee, as shall be designated by Lessor, and shall there deliver or cause to be delivered all of such Units to Lessor or Lessor's nominees. Lessee agrees to furnish for a period of 45 days without charge for rent or storage the necessary facilities at any convenient point or points so selected by Lessor for such purpose, provided, however, that the indemnity provided for in paragraph V (d) shall not apply to such 45 days free storage time. It is hereby expressly covenanted and agreed that the performance of the covenants set forth in this paragraph VII is of the essence of this Agreement, and that, upon application to any court having jurisdiction, the Lessor shall be entitled to a decree against Lessee requiring the specific performance thereof.

AND
VII A. REPRESENTATIONS / WARRANTIES ~~AND COVENANTS~~ OF LESSEE:
and

Lessee represents / warrants ~~and covenants~~ with respect to this Agreement that:

(a) Lessee is a corporation duly organized, validly existing and in good standing under the laws of Canada, and is duly qualified and authorized to do business wherever the nature of its activities or properties require such qualification and authorization.

(b) Lessee has the full power, authority and legal right to execute, deliver and perform the terms of this Agreement. This Agreement has been duly authorized by all necessary corporate action of Lessee and constitutes a valid and binding obligation of Lessee, enforceable in accordance with its terms.

(c) There is no law and no charter, by-law or preference share provision of Lessee and no provision in any existing mortgage, indenture, contract or agreement binding on Lessee which would be contravened by the execution, delivery or performance by Lessee of this Agreement.

(d) No consent of the shareholders, or the trustee or holder of any indebtedness, of Lessee is or will be required as a condition to the validity of this Agreement, or if required, all such consents have been or will be obtained and duly certified copies thereof shall be delivered to Lessor.

(e) No registration with, or approval of, any governmental agency or commission is necessary for the execution, delivery or performance by Lessee of the terms of this Agreement or for the validity and enforceability thereof or with respect to the obligations of Lessee hereunder insofar as Lessee is concerned, or if required, all such registrations and approvals have been or will be duly made or obtained and certified copies thereof shall be delivered to Lessor.

(f) Except as heretofore disclosed there is no action or proceeding pending or insofar as Lessee knows, threatened against Lessee or any of its subsidiaries before any court or administrative agency which in its opinion might result in any materially adverse effect on the business or condition or operations of Lessee or such subsidiary.

(g) Neither the execution or delivery of this Agreement or of any Schedule nor fulfillment of, or compliance with the terms and provisions thereof, will contravene any current provision of law, judgment, decree, order, franchise, or permit applicable to Lessee or any of its subsidiaries, or conflict with, or result in a material breach of the terms, conditions or provisions of, or constitute a violation of the charter or by-laws of Lessee, or any of its subsidiaries or constitute a default under any agreement or instrument to which Lessee or any of its subsidiaries is now a party.

(h) The orders for the Equipment subject to this Agreement were placed with the manufacturers thereof on July 8, 1968 (Greenville Steel Car Company) and July 10, 1968 (Bathey Manufacturing Company, Met-Fab, Incorporated and Fabricated Steel Products) and that each order was an original order and not an assignment of a pre-existing order.

(i) Lessee does business within the United States of America, is ~~not exempt from~~ ^{not exempt from} United States Federal Income Tax, files United States Federal Income Tax returns, and is not ~~a foreign corporation~~ ^{a foreign corporation} within the meaning of Sections 48(a)(4) and 48(a)(5) of the Internal Revenue Code of 1954, as amended.

~~(j) Lessee is not a foreign corporation within the meaning of Sections 48(a)(4) and 48(a)(5) of the Internal Revenue Code of 1954, as amended.~~

VII B. INVESTMENT COMPANY ACT OF 1940

Lessee is not registered and will not during the term of this agreement register under the Investment Company Act of 1940 (of the United States) and Lessee is not formed or availed of for the principal purpose of acquiring stock or debt obligations of other issuers or obligors.

VIII. DEFAULTS: In the event that:

(a) The Lessee shall make default in the payment of any installment of rent (including as rent within the meaning of this paragraph the sums payable by the Lessee under paragraph VI hereof) and such default shall in any case continue for more than 15 days after notice of such nonpayment from the Lessor to the Lessee; or

(b) The Lessee shall default in the observance or performance of any other covenant, condition, agreement or provision hereof and such default shall continue for more than 30 days after notice thereof from the Lessor to the Lessee; or

(c) The Lessee shall become insolvent or bankrupt or admit in writing its inability to pay its debts as they mature or shall make an assignment for the benefit of its creditors; or

(d) Bankruptcy, reorganization, arrangement or insolvency proceedings or other proceedings for relief under any bankruptcy or similar law or laws for the relief of debtors shall be instituted by or against Lessee; or Lessee shall permit or there shall occur any involuntary transfer of its interest hereunder or of all or substantially all of Lessee's property by bankruptcy or by the appointment of a receiver or trustee or by execution or by any judicial or administrative decree or process or otherwise unless in every such case such proceedings (if instituted against the Lessee) shall be dismissed or such assignment, transfer, decree or process shall within 60 days from the filing or other effective date therein be nullified, stayed or otherwise rendered ineffective, or unless any such receiver or trustee shall within 60 days from the date of his appointment adopt and assume this Agreement pursuant to due authority of law and of the court appointing him;

then in such case in addition to all rights and remedies now or hereafter provided by law, for the repossession of the Units and for the recovery of damages occasioned by Lessee's default, Lessor shall have the following rights and remedies, all of which shall be cumulative. Lessor, at its option may:

(i) Elect only to terminate the Lessee's right of possession (but not to terminate the Agreement), without releasing Lessee in whole or in part from its obligation hereunder for the remaining term of this Agreement, and thereupon take possession of any or all of the Units as provided herein. Lessor may, but need not, repossess the Units and relet the same or any part thereof to others for such rent and upon such terms as it may see fit. The proceeds of any such reletting shall first be applied to the expense of retaking and reletting of the Units and delivery to the new Lessee, and then to the payment of rent due under this Agreement. Lessee shall pay any deficiency remaining due after so applying the proceeds as the same shall accrue. Lessor shall not be required to accept or receive any lessee offered by Lessee. The election by the Lessor to relet the Units and the acceptance of a new lessee, shall not operate to release Lessee from liability for any existing or future default in any other covenant or promise herein contained.

(ii) Declare this Agreement terminated and recover from Lessee as liquidated damages, but not as penalty, all amounts which are then due and payable under this Agreement, and an aggregate sum, which at the time of such termination, represents the excess, if any, of the then present value of the aggregate rents which would have accrued for the balance of the term of this Agreement over the then present value of the aggregate fair rental value of the Units for the balance of the term, such present value to be computed in each case on the basis of a three per cent (3%) per annum discount from the respective dates upon which such rents would have been payable hereunder had this Agreement not been terminated.

(iii) Proceed by appropriate court action or actions either at law or in equity to enforce performance by the Lessee of the applicable covenants and terms of this Agreement or to recover from Lessee, any

and all damages or expenses including reasonable attorneys' fees, which Lessor shall have sustained by reason of Lessee's default in any covenant or covenants of this Agreement or on account of Lessor's enforcement of its remedies hereunder.

(iv) Recover or take possession of any or all of the Units wherever the same may be found.

In the event any Units are to be surrendered to the Lessor pursuant to any of the foregoing provisions of this paragraph VIII and the Lessor shall not otherwise elect by written instrument delivered to the Lessee, the Lessee shall forthwith deliver possession of the Units to the Lessor in good order and repair, ordinary wear excepted. For the purpose of delivering possession of any Units to the Lessor as above required, the Lessee shall, at its own cost and expense, forthwith:

(a) assemble such Units and place them upon storage tracks within seventy-five miles of Toronto, Ontario (or such other place or places as the parties heretoshall agree in writing);

(b) provide storage at the risk of the Lessee for such Units on such tracks for a period of 45 days after written notice to the Lessor specifying the place of storage and unit numbers of the Units so stored; and

(c) cause the same or any thereof to be transported, at any time within such 45 day period, to any place or places on lines of a railroad within a seventy-five mile radius of such storage tracks on which the Units have been assembled, all as directed by the Lessor.

The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Agreement, and upon application to any court of equity having a jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units.

No right or remedy conferred upon or reserved to Lessor by this Agreement shall be exclusive of any other right or remedy herein or by law provided; all rights and remedies of Lessor conferred upon Lessor by this Agreement or by law shall be cumulative and in addition to every other right and remedy available to Lessor.

In the event of any default, Lessee will pay Lessor a reasonable sum as and for attorneys' fees, such costs and expenses as shall have been expended or incurred by Lessor in the enforcement of any right or privilege hereunder, and interest at the maximum contract rate of interest per annum on each of the foregoing and on all sums not paid when due under any provision of this Agreement.

IX. ASSIGNMENT BY LESSOR: Lessee acknowledges and understands that the terms and conditions of this Agreement have been fixed by the Lessor in anticipation of its being able to assign its interest under this Agreement and in and to the Units leased hereunder for security purposes to a bank or other lending institution or to others having an interest in the leased Units or this transaction, all or some of which will rely upon and be entitled to the benefit of the provisions of this paragraph; and Lessee agrees with Lessor and with such bank or other lending institution and/or such other party (for whose benefit this covenant is expressly made) and in consideration of the provisions hereof during the term of such assignment, as follows: (1) to recognize any such assignment, (2) to accept the directions or demands not inconsistent with the rights of Lessee hereunder of such assignee in place of those of the Lessor, (3) to surrender any leased property only to such assignee, (4) to pay all rent payable hereunder to the assignee and to do any and all things required of Lessee hereunder and not to terminate this Agreement, notwithstanding any default by Lessor, and not to assert against such assignee any claim which Lessee might have against Lessor, and (5) not to require any assignee of this Agreement to perform any duty, covenant or condition required to be performed by Lessor under the terms of this Agreement;* It is understood and agreed that, notwithstanding any such assignment or subsequent assignment, all obligations of the Lessor to the Lessee hereunder shall continue in full force and effect.

* Provided however, that any such assignment shall provide that so long as Lessee is not in default under the terms of the agreement, Lessee shall be entitled to uninterrupted use of the Units in accordance with the terms of the agreement.

X. QUIET POSSESSION: Lessor covenants that it is the lawful owner of the Units leased hereunder and that conditioned upon the Lessee performing the conditions hereof, Lessee shall peaceably and quietly hold, possess and use such Units during the term of this Agreement for so long as Lessee is not in default hereunder.

XI. FEDERAL INCOME TAXES:

(a) It is the intent of the parties to this Lease that the Lessor shall at all times be considered to be the owner and original user of all of the Units which are the subject of this Lease for all Federal income tax purposes, that the Lessor shall be entitled to and shall claim an investment credit of seven percent (7%) of the cost of the Units under the provisions of Sections 38 and 46 through 48 of the Internal Revenue Code of 1954, as amended, (herein the "Code") and that by reason of the loss, destruction, damage or requisitioning of any Unit as set forth in Section VI the Lessor shall not have to recompute such investment credit pursuant to Sections 38 and 46 through 48 of the Code, and the Lessee agrees that it will at no time take any action or file any document which is inconsistent with the foregoing intent and that it will take such action and execute such documents as may be necessary to facilitate accomplishment of this intent. Without limiting the generality of the foregoing the Lessee specifically agrees that through the taxable year of the Lessor in which * , 1976 falls and during each of such taxable years of the Lessor, the Units will not be "used":

* a date eight years from the commencement date of the applicable schedule

(a)(1) as "public utility property" within the meaning of Section 46(c)(3)(B) of the Code,

(a)(2) "predominantly outside the United States" within the meaning of Section 48(a)(2) of the Code,

(a)(3) "predominantly to furnish lodging or in connection with the furnishing of lodging" within the meaning of Section 48(a)(3) of the Code,

(a)(4) by any organization/~~described in~~ including Lessee, Section 48(a)(4) or 48(A)(5) of the Code and within the meaning of such section,

(a)(5) "by the United States, any State or political subdivision thereof, any international organization, or any agency or instrumentality of any of the foregoing" within the meaning of Section 48(a)(5) of the Code, except as provided in paragraph VI(b)(3) hereof.

The Lessee further agrees to keep and make available for inspection by the Lessor such records as will enable the Lessor to determine that none of the Units have been used in any manner expressly prohibited by paragraphs XI(a)(1) through XI(a)(5).

XII. MISCELLANEOUS:

(a) Nothing herein contained shall give or convey to Lessee any right, title or interest in and to any Unit leased hereunder except as a Lessee.

(b) The obligations of Lessor hereunder shall be suspended to the extent that it is hindered or prevented from complying therewith because of labor disturbances (including strikes and lockouts), war, Acts of God, fires, storms, accidents, governmental regulations or interference or any cause whatever beyond its control.

(c) Should Lessor permit the use of any Unit beyond the term specified therefor, the obligations of Lessee hereunder shall continue and such permissive use shall not be construed as a renewal of the term thereof nor as a waiver of any right or continuation of any obligation of Lessor hereunder, and Lessor may take possession of any such Unit at any time upon demand after thirty (30) days' notice. Any cancellation or termination by Lessor pursuant to the provisions hereof, of this Agreement or of any Schedule, supplement, or amendment hereto, shall not release Lessor or Lessee from any then outstanding obligations hereunder.

(d) Time is of the essence hereof.

(e) Lessee shall from time to time do and perform any act and will execute, acknowledge and deliver any and all further instruments reasonably requested by Lessor for the purposes of Lessor obtaining proper protection of the title of Lessor and of fully carrying out and effectuating this Agreement.

(f) Any provision of this Agreement prohibited by any applicable law of any State shall as to such State be ineffective without modifying the remaining provisions of this Agreement.

(g) Any notice hereunder to Lessee shall be deemed to be properly served if delivered or mailed to Lessee at Windsor Station, Montreal 3, Quebec, or at such other address as may have been furnished in writing to Lessor by Lessee. Any notice hereunder to Lessor shall be deemed to be properly served if delivered or mailed to Lessor at 120 South Riverside Plaza, Chicago, Illinois, with copies to Lessor at One Maritime Plaza, San Francisco, California 94111, or at such other address as may have been furnished in writing to Lessee by Lessor.

(h) Except as otherwise provided in this Agreement, in the event of default, Lessee to the fullest extent permitted by law, hereby waives all statutory or legal requirements for any notice of any kind, notice of intention to take possession of or to sell the leased equipment, or any part thereof and any other requirements as to the time, place and terms of sale thereof and any and all rights of redemption.

(i) This Agreement exclusively and completely states the rights of the parties hereto with respect to the leased equipment and supersedes all other agreements, oral or written, with respect to such equipment. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of Lessor and Lessee.

(j) The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

(k) This Agreement may be simultaneously executed in several counterparts each of which so executed shall have the same force and effect as if it were an original.

(l) Subject to the provisions of paragraph V and IX hereof, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the 18th day of November, 1968.

GATX/BOOTHE CORPORATION, LESSOR

(Corporate Seal)

Attest:

By

W. Thomas Decker
Vice President

C. McLeod Rempel

Assistant Secretary

CANADIAN PACIFIC RAILWAY COMPANY, LESSEE

(Corporate Seal)

Attest:

By

[Signature]
VICE-PRESIDENT

[Signature]

SECRETARY

THE BOARD OF NOTARIES

OF THE PROVINCE OF QUEBEC

CANADA
PROVINCE OF QUEBEC

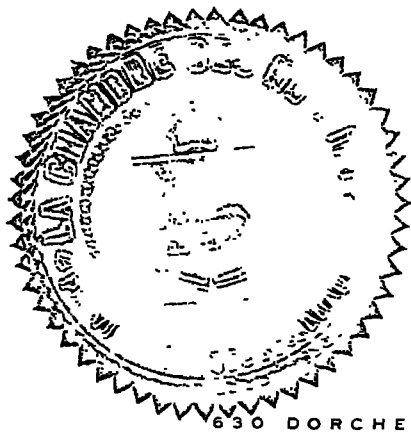
I, JEAN BERNARD COUPAL, Secretary of the Board of Notaries of the Province of Quebec, Canada, said Board having its Seat, in the City of Montreal, organized under the laws of said Province of Quebec, and being the sole and only Board of Record for all the Notaries in said Province, said Board having a seal, the whole as enacted by the law 1-2, Elizabeth II, 1952-53, ch. 54.

DO HEREBY CERTIFY that Me John Howard Watson, notary - - - - -
residing at Montreal - - - - - in the Judicial District of Montreal - - - - -
of said Province, who signed the certificate of proof of acknowledgment on the hereunto attached instrument, was at the time of taking such proof of acknowledgment a practising Notary and Public Officer, having been duly commissioned and sworn as such and his name is entered on the Roll of the Order of Notaries of said Province of Quebec, that his jurisdiction extends over the whole of said Province of Quebec and his term of office is for life; that therefore he is at the date hereon a person authorized to take and certify affidavits and solemn declarations and to take proof and acknowledgment of all deeds and other instruments, and to certify as such Notary both originals and copies thereof or either of them to be recorded in said Province, the whole in accordance with and as required by the said Notarial Act and the laws of said Province of Quebec.

AND moreover I have compared the signature: " J.H. Watson, notary - - - - - " affixed to said instrument, with that deposited in the "Register of official signatures of Notaries" (said Register being kept only by me and remaining of record only in my office), and, as required by said Notarial Act and laws, such signature is the Official signature of said person and the impression of his official seal on said certificate is also genuine.

THAT further in my said capacity of Secretary of the said Board of Notaries, I am the only authority under the laws of said Province to issue the present certificate.

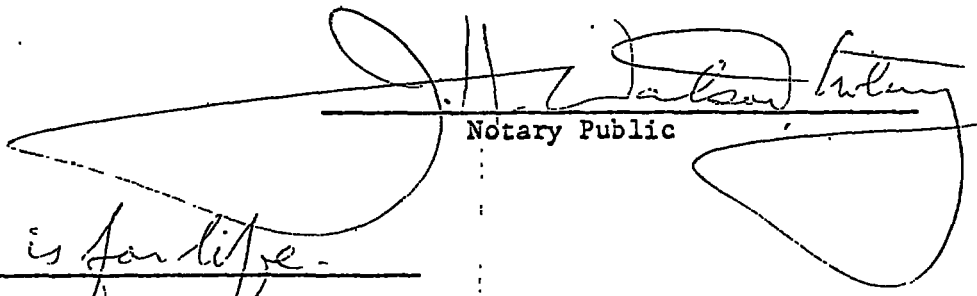
WITNESS my hand and the official seal of said Board of Notaries at Montreal, this Eighteenth - - day of November - one thousand nine hundred and sixty- Eight.



JEAN BERNARD COUPAL
Secretary

PROVINCE
STATE OF QUEBEC)
DISTRICT OF MONTREAL) SS:

On this 15 day of November, 1968, before me personally
appeared N. THOMAS DECKER, to me personally known, who
being by me duly sworn, says that he is the VICE-PRESIDENT
of GATX/BOOTHE CORPORATION that the seal affixed to the foregoing instrument is
the corporate seal of said corporation, that said instrument was signed and sealed
on behalf of said corporation by authority of its Board of Directors; and he
acknowledged that the execution of the foregoing instrument was the free act and
deed of said corporation.

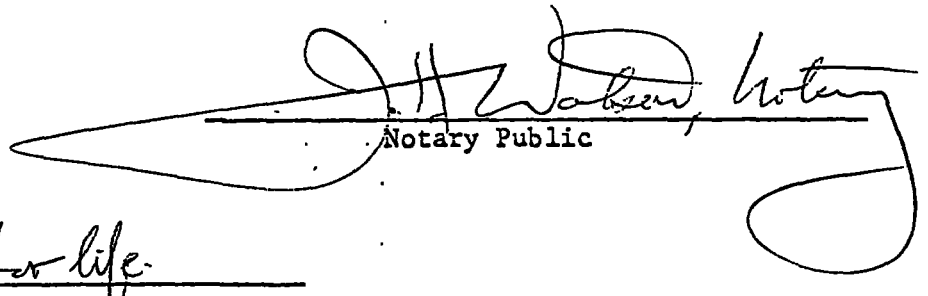

Notary Public

(Seal)

My Commission Expires is for life

Province of Quebec)
STATE OF)
COUNTY OF Rocheleau) SS:

On this 18 day of November, 1968, before me personally
appeared A. P. MILLAR, to me personally known, who
being by me duly sworn, says that he is the VICE PRESIDENT
of CANADIAN PACIFIC RAILWAY COMPANY that the seal affixed to the foregoing instrument
is the corporate seal of said corporation, that said instrument was signed and
sealed on behalf of said corporation by authority of its Board of Directors, and
he acknowledged that the execution of the foregoing instrument was the free act and
deed of said corporation.


Notary Public

(Seal)

My Commission Expires is for life

EQUIPMENT LEASE SCHEDULE NO. _____

1. DESCRIPTION OF EQUIPMENT:

2. SITUATE: Continental United States and Canada (See Paragraph XI of Lease)

3. TERM: 180 Months Commencing _____

4. RENT:

Rental is _____ per car per month payable monthly in advance.

5. RENEWAL OPTION: See Attachment A hereto.

6. INSURANCE: Self-insured. See Paragraphs V(d) and VI of Equipment Lease Agreement.

7. STIPULATED LOSS VALUE: Amount to be paid pursuant to Paragraph VI of Equipment Lease Agreement for leased equipment lost, stolen, destroyed, requisitioned or damaged beyond repair during each year of the term:

1st \$ _____	5th \$ _____	9th \$ _____	13th \$ _____
2nd \$ _____	6th \$ _____	10th \$ _____	14th \$ _____
3rd \$ _____	7th \$ _____	11th \$ _____	15th _____
4th \$ _____	8th \$ _____	12th \$ _____	Thereafter _____

APPROVED AND AGREED TO this _____ day of _____, 1968, as a schedule to and part of Equipment Lease Agreement dated the _____ day of _____, 1968.

CANADIAN PACIFIC RAILWAY COMPANY
LESSEE

GATX/BOOTHE CORPORATION, Lessor

By _____

By _____
President

(Seal)

(Seal)

ATTEST: _____

ATTEST: _____

EXHIBIT B

ATTACHMENT 'A' TO EQUIPMENT LEASE SCHEDULE NO. _____
BETWEEN GATX/BOOTHE CORPORATION and
CANADIAN PACIFIC RAILWAY COMPANY

Six months prior to the expiration of the initial 15-year term of this Schedule, or any renewal thereof, Lessee may request at its own expense an appraisal to determine the then fair market value and the then fair rental value of any one or more of the Units described in this Schedule, such appraisal of fair market value and fair rental value to be made by a mutually agreed upon appraiser, or, in the absence of agreement, by American Appraisal Company or its successors. Copies of any such appraisal report shall be given to Lessor. Upon receipt of a written request therefor from Lessee within thirty (30) days of the date the appraisal report is rendered by such appraiser, Lessor agrees to renew the term of the lease for one or more years as to any one or more Units described therein at a rental based upon the appraised fair rental value of said Unit or Units, or to sell any one or more Units to Lessee for an amount not to exceed the appraised fair market value of such Unit or Units, or a combination of the foregoing. In the event Lessee elects not to lease or purchase in accordance with the foregoing provision, Lessor agrees not to accept any offer to lease or to sell the Units, or any of them, from any third party during the remaining balance of the initial term of this Schedule, or any renewal thereof, for any amount less than the appraised value (determined as aforementioned) without first offering to Lessee the right to lease or purchase at such lesser amount, and Lessee shall have fifteen (15) days to accept such offer from the receipt thereof. Provided, however, Lessee shall have none of the aforementioned rights if no appraisal is requested. Provided, further, if Lessee requests only an appraisal of fair market value, Lessee's rights shall be limited to purchase in accordance with the foregoing provisions, and Lessor may, without any obligation to Lessee, lease the Units, or any of them, to such party or parties making the most advantageous bona fide offer to Lessor; and, if Lessee requests only an appraisal of fair rental value, Lessee's rights shall be limited to lease in accordance with the foregoing provisions, and Lessor may, without any obligation to Lessee, sell the Units, or any of them, to such party or parties making the most advantageous bona fide offer to Lessor.

The rights hereinabove granted to Lessee by Lessor are contingent upon the satisfactory performance by Lessee of all of its duties and obligations under said Equipment Lease Agreement dated as of _____ and all Schedules executed in connection therewith, including, but not limited to, the payment of all rentals due thereunder. Any default by Lessee which remains uncured after due notice thereof as provided in Paragraph VIII of said Equipment Lease Agreement will nullify and cancel the rights hereinabove granted to Lessee.

CERTIFICATE OF ACCEPTANCE

(Date) _____

Gentlemen:

The undersigned officer of Canadian Pacific Railway Company (hereinafter called Railroad), hereby certifies that the following described railroad equipment (hereinafter called Equipment) has been delivered in good order and condition to Railroad by Greenville Steel Car Company in accordance with the terms of Equipment Lease Agreement dated as of _____ between GATX/ Boothe Corporation and Railroad, has been inspected and accepted on behalf of Railroad, and conforms to the specifications applicable thereto:

I further certify that at the time of delivery to Railroad there was plainly, distinctly, permanently and conspicuously marked on each side of each unit of Equipment described above the following legend in letters not less than 5/8" in size: "GATX/BOOTHE CORPORATION, OWNER, LESSOR".

CANADIAN PACIFIC RAILWAY COMPANY

By _____

EXHIBIT C

PRO-FORMA
EQUIPMENT LEASE SCHEDULE

1. DESCRIPTION OF EQUIPMENT:

Fifty-seven (57) 86'6" high Cube Box cars with 100 ton Roller Bearing Trucks manufactured by Greenville Steel Car Company bearing Series marks CPAA 205950 to CPAA 206006 inclusive and Material Handling racks manufactured by Fabricated Steel Products.

2. SITUATE: Continental United States and Canada (See Paragraph XI of Lease)

3. TERM: 180 Months Commencing upon delivery

4. RENT:

Rental is \$275.48 U.S. per car per month payable monthly in advance. (based on cost of \$33,600 U.S.)

5. RENEWAL OPTION: See Attachment A hereto.

6. INSURANCE: Self-insured. See Paragraphs V(d) and VI of Equipment Lease Agreement.

7. STIPULATED LOSS VALUE: Amount to be paid pursuant to Paragraph VI of Equipment Lease Agreement for leased equipment lost, stolen, destroyed, requisitioned or damaged beyond repair during each year of the term:

1st \$33,600	5th \$30,375	9th \$23,055	13th \$14,000
2nd \$33,300	6th \$29,250	10th \$21,105	14th \$11,225
3rd \$32,795	7th \$27,130	11th \$18,945	15th \$8,230
4th \$32,080	8th \$25,590	12th \$16,575	Thereafter \$5,040

APPROVED AND AGREED TO this 18th day of November, 1968, as a schedule to and part of Equipment Lease Agreement dated the 18th day of November, 1968.

CANADIAN PACIFIC RAILWAY COMPANY
LESSEE

By


VICE-PRESIDENT

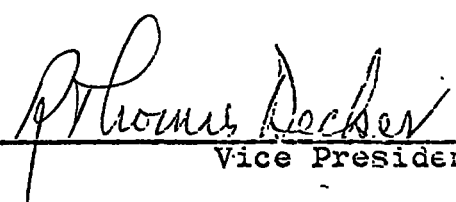
(Seal)

ATTEST:


SECRETARY

GATX/BOOTHE CORPORATION, LESSOR

By


Vice President

(Seal)

ATTEST:


Assistant Secretary

ATTACHMENT A TO EQUIPMENT LEASE SCHEDULE NO. _____
BETWEEN GATX/BOOTHE CORPORATION and
CANADIAN PACIFIC RAILWAY COMPANY

Six months prior to the expiration of the initial 15-year term of this Schedule, or any renewal thereof, Lessee may request at its own expense an appraisal to determine the then fair market value and the then fair rental value of any one or more of the Units described in this Schedule, such appraisal of fair market value and fair rental value to be made by a mutually agreed upon appraiser, or, in the absence of agreement, by American Appraisal Company or its successors. Copies of any such appraisal report shall be given to Lessor. Upon receipt of a written request therefor from Lessee within thirty (30) days of the date the appraisal report is rendered by such appraiser, Lessor agrees to renew the term of the lease for one or more years as to any one or more Units described therein at a rental based upon the appraised fair rental value of said Unit or Units, or to sell any one or more Units to Lessee for an amount not to exceed the appraised fair market value of such Unit or Units, or a combination of the foregoing. In the event Lessee elects not to lease or purchase in accordance with the foregoing provision, Lessor agrees not to accept any offer to lease or to sell the Units, or any of them, from any third party during the remaining balance of the initial term of this Schedule, or any renewal thereof, for any amount less than the appraised value (determined as aforementioned) without first offering to Lessee the right to lease or purchase at such lesser amount, and Lessee shall have fifteen (15) days to accept such offer from the receipt thereof. Provided, however, Lessee shall have none of the aforementioned rights if no appraisal is requested. Provided, further, if Lessee requests only an appraisal of fair market value, Lessee's rights shall be limited to purchase in accordance with the foregoing provisions, and Lessor may, without any obligation to Lessee, lease the Units, or any of them, to such party or parties making the most advantageous bona fide offer to Lessor; and, if Lessee requests only an appraisal of fair rental value, Lessee's rights shall be limited to lease in accordance with the foregoing provisions, and Lessor may, without any obligation to Lessee, sell the Units, or any of them, to such party or parties making the most advantageous bona fide offer to Lessor.

The rights hereinabove granted to Lessee by Lessor are contingent upon the satisfactory performance by Lessee of all of its duties and obligations under said Equipment Lease Agreement dated as of November 18, 1968 and all Schedules executed in connection therewith, including, but not limited to, the payment of all rentals due thereunder. Any default by Lessee which remains uncured after due notice thereof as provided in Paragraph VIII of said Equipment Lease Agreement will nullify and cancel the rights hereinabove granted to Lessee.

THE BOARD OF NOTARIES

OF THE PROVINCE OF QUEBEC

CANADA
PROVINCE OF QUEBEC

I, JEAN BERNARD COUPAL, Secretary of the Board of Notaries of the Province of Quebec, Canada, said Board having its Seat, in the City of Montreal, organized under the laws of said Province of Quebec, and being the sole and only Board of Record for all the Notaries in said Province, said Board having a seal, the whole as enacted by the law 1-2, Elizabeth II, 1952-53, ch. 54.

DO HEREBY CERTIFY that Me John Howard Watson, notary - - - - -
residing at Montreal - - - - - in the Judicial District of Montreal - - - - -
of said Province, who signed the certificate of proof of acknowledgment on the hereunto attached instrument, was at the time of taking such proof of acknowledgment a practising Notary and Public Officer, having been duly commissioned and sworn as such and his name is entered on the Roll of the Order of Notaries of said Province of Quebec, that his jurisdiction extends over the whole of said Province of Quebec and his term of office is for life; that therefore he is at the date hereon a person authorized to take and certify affidavits and solemn declarations and to take proof and acknowledgment of all deeds and other instruments, and to certify as such Notary both originals and copies thereof or either of them to be recorded in said Province, the whole in accordance with and as required by the said Notarial Act and the laws of said Province of Quebec.

AND moreover I have compared the signature: " J.H. Watson, notary - - - - -" affixed to said instrument, with that deposited in the "Register of official signatures of Notaries" (said Register being kept only by me and remaining of record only in my office), and, as required by said Notarial Act and laws, such signature is the Official signature of said person and the impression of his official seal on said certificate is also genuine.

THAT further in my said capacity of Secretary of the said Board of Notaries, I am the only authority under the laws of said Province to issue the present certificate.

WITNESS my hand and the official seal of said Board of Notaries at Montreal,
this Eighteenth - - - - - day of November - one thousand nine hundred
and sixty- Eight.



JEAN BERNARD COUPAL
Secretary

STATE OF

SS:

On this 15th day of November, 1968, before me personally appeared [Signature], to me personally known, who being by me duly sworn, says that he is the [Signature] of GAIN/BOOTHE CORPORATION that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Signature]
Notary Public

(Seal)

My Commission Expires is for life

Province

STATE OF

Quebec

COUNTY OF

Hochelaga

SS:

On this 15th day of November, 1968, before me personally appeared H.P. MURRAY, to me personally known, who being by me duly sworn, says that he is the VICE PRESIDENT of CANADIAN PACIFIC RAILWAY COMPANY that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Signature]
Notary Public

(Seal)

My Commission Expires is for life

City of Alexandria)
)
State of Virginia) ss:

The undersigned certifies that he has, this 25th day of November, 1968, compared the foregoing copy of Equipment Lease Agreement and attachments thereto with the original of such document, dated November 18, 1968, and that it is a true and correct copy in all respects.

Anthony C. Jones
Notary Public

(SEAL)

My Commission Expires: My Commission Expires February 12, 1972